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STATE OF ILLINOIS

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ILLINOIS COMMERCE COMMISSION

CHIEF CLERK'S OFFICE

UNION ELECTRIC COMPANY d/b/a
AMERENUE

Request pursuant to Section 6-102 of the
Illinois Public Utilities Act for an order
authorizing Union Electric Company d/b/a
AmerenUE to incur an indebtedness by
undertaking the obligation to pay the
principal, interest and redemption
premium, if any, on up to \$104,000,000
principal amount of Senior Secured
Notes for the purpose of refunding,
redeeming and/or refinancing outstanding
evidences of indebtedness.

Docket No. 04-0347

STAFF'S ANSWER TO UNION ELECTRIC COMPANY'S

INFORMATIONAL STATEMENT

Now comes the Staff of the Illinois Commerce Commission ("Staff") in response to Union Electric Company d/b/a AmerenUE's ("AmerenUE" or "Company") Informational Statement. On April 19, 2004, AmerenUE filed its Informational Statement in this docket pursuant to Section 6-102(d) of the Illinois Public Utilities Act ("Act"). This statement explains AmerenUE's proposed issuance and sale of \$104,000,000 aggregate principal amount of Senior Secured Notes ("Notes") for the purpose of refunding, through early redemption, its \$100,000,000, 7.0% first mortgage bonds due January 15, 2024, which are subject to call at a redemption price of 103.41%, and which the Commission authorized in Docket No. 93-0256. The Company will use more than 90% of the proceeds to repay existing indebtedness.

The terms of the Notes will be determined at the time of the offering. Currently, AmerenUE contemplates issuing Notes for up to thirty-five (35) year terms, with an expected interest rate not to exceed 6.50%. The Company estimates that if it would issue securities maturing in thirty (30) years, the current interest rate would approximate 6.0%.

The Notes will be issued under, and secured by, the Senior Note Indenture, which was attached to the Company's Informational Statement in Docket No. 02-0484. Until the release date, all of the Notes will be secured by one or more series of the Company's senior note mortgage bonds issued under its first mortgage indenture, the terms of which will mirror the Notes. The release date will be the date that all of the Company's first mortgage bonds issued and outstanding under its first mortgage indenture, other than senior note mortgage bonds, have been redeemed or retired. On the release date, the Notes will cease to be secured by the senior note mortgage bonds, will become the Company's unsecured general obligations and will rank equally with all of the Company's unsecured and unsubordinated debt.

The Company requests that the Commission issue an Order on or before May 4, 2004, in conformance with Section 6-102(a) of the Act authorizing the issuance of the proposed indebtedness. AmerenUE also requests the issuance of an identification number for placement of its evidence of indebtedness pursuant to Section 6-101 of the Act.

Staff has reviewed the Company's Informational Statement and Article VI of the Act and states as follows:

1. The Company's proposal is subject to Section 6-101, which requires the Commission to provide proper identification numbers on the proposed indebtedness when issued. The Company requests one identification number as it anticipates only one series of the Notes will be issued.

2. The Company's proposal is subject to Section 6-102(a), which requires a Commission Order authorizing the proposed issuance of the proposed indebtedness. The Order must also state the amount of the proceeds and purpose(s) to which they are to be applied, and that such application(s) is reasonably required
3. The Company's proposal is not subject to Section 6-102(b) since the Company will use 90% or more of the proceeds for purposes of refunding outstanding indebtedness.
4. The Company's proposal is not subject to Section 6-102(c).
5. The Company's proposal is subject to Section 6-102(d), which requires the Informational Statement filed by the Company and a Commission Order in conformance with Section 6-102(a).
6. Since \$100,000,000 of the \$104,000,000 proceeds from the sale of the Notes will be used to refund the principal amount of long-term debt issued with the consent of the Commission, there is no fee required with respect to such amount of the Notes. Pursuant to Section 6-108 of the Act, the Company agrees to pay a fee in an amount equal to 24 cents for every \$100 of the remaining \$4,000,000 principal amount of indebtedness authorized by the Commission, prorated by the percentage of the Company's property situated in the State of Illinois. The Company's December 31, 2003, ILCC Form 21 annual report indicates that 6.12% of the Company's total property is situated in Illinois. The resulting required fee of \$588 is to be paid no later than 30 days after service of the Commission Order authorizing the issuance of the proposed indebtedness. The fee was calculated as follows:

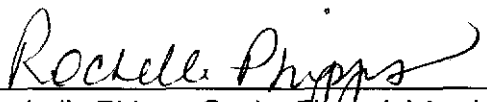
$$\$4,000,000 \times 6.12\% = \$244,800 \text{ (debt portion for property in Illinois)}$$

$$\$244,800 \times (\$0.24/\$100) = \$588 \text{ (fee to Commission)}$$

7. The Company's proposal is also subject to 83 Illinois Administrative Code 240, which requires petitioner to file reports relative to the issuance sale of the proposed indebtedness and application of the proceeds, unless the Commission Order provides otherwise (Section 240.30).

WHEREFORE, the Staff of the Illinois Commerce Commission recommends that the Commission issue an Order, pursuant to Section 6-102(d) of the Act, authorizing the transactions described in the Company's Informational Statement and identifying the applicable provisions of the Act and Administrative Code. Staff further recommends that the Commission order the Company to pay a \$588 fee pursuant to Section 6-108 of the Act and file reports relating to the issuance of the securities approved in this Order pursuant to 83 Illinois Administrative Code 240.

Respectfully submitted,


Rochelle Phipps, Senior Financial Analyst
Finance Department
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62701
(217) 524-0696

April 22, 2004

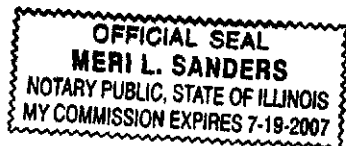
VERIFICATION

I, Rochelle Phipps, first being duly sworn upon oath, depose and say that I am a Senior Financial Analyst of the Finance Department for the Staff of the Illinois Commerce Commission, that I have read the above and foregoing Answer to Union Electric Company's Informational Statement in Docket No. 04-0347 by me subscribed and know the contents thereof; that said contents are true in substance and in fact, except as to those matters stated upon information and belief, and as to those, I believe the same to be true.

Rochelle Phipps
Rochelle Phipps, Senior Financial Analyst
Finance Department

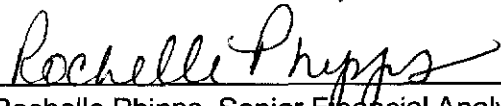
Subscribed and sworn to before me
this 22nd day of April, 2004.

Meri L. Sanders
Notary Public, Illinois



CERTIFICATE OF SERVICE

I, Rochelle Phipps, Senior Financial Analyst of the Finance Department, Financial Analysis Division, Illinois Commerce Commission, do hereby certify that on the 22nd day of April, 2004, the Finance Department has delivered for filing with the Clerk of the Illinois Commerce Commission, the attached Answer to Union Electric Company's Informational Statement in Docket No. 04-0347, a copy of which is also hereby served upon the service list.



Rochelle Phipps, Senior Financial Analyst
Finance Department